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ED/EC M-270

September 18, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

10:30 a.m., Friday, September 13, 1957
Room 1213 Maiatico

Attendance:

MDAC

Mr. Hale, Chairman
Mr. Wight
Mr. Kramer, Executive Secretary
Mrs. Lese, Committee Secretary

ICA

Mr. Slaght

State

Mr. Wright
Mr. Oliver

CIA

Mr. [REDACTED] 25X1A9a

Treasury

Mr. Pollak

Commerce

Mr. Hockersmith

Defense

Colonel Green

Agenda:

25X6

Note a. [REDACTED] Eligibility for Assistance.

1. Response to POLTOs 262, 7/26/57, and 470, 8/30/57.
2. Work Program for Paragraph 9.
(Ref. ED/EC D-121 series; WG I D-76/1b, WG I D-76/1c)

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Note a. Eligibility for Assistance.

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The Chairman reported that the EDAC action on [REDACTED] went forward to the Acting Executive Officer of the OCB on September 11.

Mr. Saccio, the ICA General Counsel, made known his intention to advise the Director of ICA that the EDAC proposal was an appropriate and accurate reading of the Act and, further, that the informal opinions set forth in his Memorandum to The Files, dated August 30, might be considered conclusive.

1. Response to POLTOs 262, 7/26/57, and 470, 8/30/57.

Discussion

The State member said that the new message which reports on discussions in COCOM regarding the trade policy toward Poland makes necessary further study. He noted that there has been a great many derogatory comments from the other Dels with regard to the suggestion that Poland be included in the bloc's quota. A decision within the Department has not yet been made. He personally questioned the logic of treating Poland on an ex quota basis. In his view if Poland continued under the bloc quota and shipments to Poland were charged to List II quotas for bloc countries, such countries might feel that trade with Poland will increase and they will want larger quotas. On the other hand, if we take Poland out of the bloc quotas we will be in a position to suggest that the quotas be decreased. These factors will have to be weighed.

In response to a question by the Chairman as to how to answer Working Group I with regard to whether a ruling made for Poland will be applicable to East Germany, the State member replied that each case will have to be taken on its own merit and, furthermore, East Germany and IZT get separate treatment in SCOM.

The ICA member pointed out that the major policy question raised by the Canadians pertains to whether the U. S. will have tangible criteria with regard to List I exceptions for Poland.

Further discussion was deferred on this problem until a State draft instruction has been prepared and submitted to the Committee for consideration.

2. Work Program for Paragraph 9.
(Ref. ED/EC D-121 series; WG I D-76/lb, WG I D-76/lc)

Discussion

The Chairman called attention to the fact that under the Work Program, State was requested to develop a policy study (para. 7) and he felt that in order to proceed with our assignment it would be necessary for the Committee to examine and consider that study.

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The State member responded that there has been difficulty in the Department in determining our negotiating position and consequently the paper has been delayed but as soon as it is completed he will make it available to the Executive Committee. He thought it might be ready by Tuesday, September 17.

The Chairman voiced the view that upon receipt of the State study and after the members have had an opportunity to review it, we should determine the extent of agreement or disagreement among the members, outline alternative recommendations, and prepare a document for submission to EDAC as soon thereafter as possible.

Distribution:

ED List Parts I & II

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